



# ***COMMITTEE of the WHOLE***

## ***CITY COUNCIL***

**MINUTES**  
**December 1, 2008**  
**4:00 P.M.**  
**Council Office**

### **COUNCIL MEMBERS PRESENT:**

V. Spencer, J. Waltman, S. Marmarou, S. Fuhs, D. Sterner, M. Baez, M. Goodman-Hinnershitz

### **OTHERS IN ATTENDANCE:**

D. Cituk, L. Kelleher, S. Katzenmoyer, C. Younger, C. Kanezo, R. Hottenstein

Vaughn Spencer, President of Council, called the Committee of the Whole meeting to order at 4:10 p.m.

### **I. Goggleworks Apartments Resolutions**

Mr. Mukerji joined the meeting at this time.

Mr. Spencer reminded Council that the two resolutions regarding the Goggleworks Apartments were tabled at the November 24 regular meeting because Council members had questions.

Mr. Mukerji explained that the RACP and HRA grants are reimbursement grants. The project must spend the money before seeking reimbursement from the State. He assured Council that the project is moving forward. He informed Council that he has already provided the State with a voluminous amount of documentation and has a letter of commitment from Governor Rendell. The resolutions are necessary as part of the documentation process.

Mr. Fuhs questioned the process of money transfers. Mr. Mukerji indicated that the grant will be forwarded to the City who will transfer it to the developer, Our City Reading.

Mr. Marmarou questioned if, in the current economy, it was possible that the State's commitment providing the grant would fall through. Mr. Mukerji indicated that, to his knowledge, that has never occurred.

Ms. Goodman-Hinnershitz reminded Council that if Reading does not receive this grant, another city will.

Mr. Mukerji reported that this project continues to be viable. He noted the changes in the economy will assist to increase the demand for rental housing. He noted that the highest rent in this complex will be \$1,100 for 1,400 square feet.

Mr. Spencer questioned the ability of Mr. Boscov to remain active in Our City Reading while he is rescuing Boscov's Department Stores from bankruptcy. Mr. Mukerji stated his belief that he will remain active. He assured Council that the City is not guaranteeing funding for this project.

Mr. Mukerji left the meeting at this time.

## **II. Funeral Parking**

Mike Feeney, owner of Feeney Funeral Home and Larry Lee, Executive Director of the Reading Parking Authority joined the meeting at this time.

Mr. Feeney informed Council that he and his staff have been assisting the City with maintenance of the Gen. Gregg statue island on Centre Ave. He noted his hope to work with the City to replace the trees and to re-sod the grass on this parcel. He noted that this would be done at no expense to the City. He also informed Council of the option to include additional information about Gen. Gregg. Mr. Feeney hopes to have this work completed in 2009 in honor of the 150<sup>th</sup> anniversary of the Battle of Gettysburg. Mr. Feeney will be working to replace the manger scene at 5<sup>th</sup> & Penn Sts.

Mr. Feeney indicated that he is prepared to launch a petition to bar funerals from receiving parking tickets. He noted the problems encountered due to lack of parking at City churches. He noted that Philadelphia allows double-parking for funerals and Lancaster allows funeral homes to print no parking signs free of charge. He noted that the Parking Authority's current process is not business friendly. He indicated that most church funeral services conclude within an hour. He noted the restrictions of the street sweeping signs for four hours.

Mr. Waltman questioned what has occurred to cause this problem only recently. Mr. Feeney indicated that parking regulations have been changed. He noted that only eight spaces per City block can be posted for no parking and that is generally not enough space.

Mr. Sterner questioned if there had been any recent incidents since this issue was addressed by the Public Safety Committee. Mr. Feeney indicated that there had not been but that many more families are choosing to hold services in the suburbs for more ample parking.

Mr. Lee reported that he has met with Police Chief Heim and they believe that streets need to remain unblocked for access of emergency vehicles.

Mr. Waltman questioned what has changed to cause this issue recently. Mr. Lee indicated that he has received no complaints from any other funeral homes. Mr. Feeney indicated that he would like the ability to double park vehicles in front of other funeral cars to avoid blocking in unnecessary vehicles.

Mr. Sterner indicated that this issue was discussed at a Public Safety Committee meeting and one incident involved vehicles being parked against the flow of traffic and blocking streets. Mr. Feeney indicated that regulations as they stand do not allow him to offer dignified services to families.

Mr. Feeney repeated that the eight spaces per block regulation does not allow for enough parking. He also stated that the \$1 fee for each sign is a hidden tax.

Mr. Lee noted that the eight signs per block has been in effect since he joined the Parking Authority in 2001. He indicated that the \$1 fee is the cost of the sign and that the Parking Authority does not charge the fee to make a profit.

Mr. Feeney indicated that in the past he did not need to pay for signs. He noted that this is an additional cost to the family.

Mr. Sterner reminded Mr. Feeney that he could use the \$30 per sign per year option to reduce costs. Mr. Lee indicated that most funeral homes use this option.

Ms. Goodman-Hinnershitz questioned why the cost was an issue for Mr. Feeney. She indicated that this is not an onerous amount and is a cost of doing business. She indicated her willingness to further discuss the number of spaces per block that could be available.

Mr. Marmarou indicated that signs were given freely in the past but began to be abused by people. Mr. Feeney reported that people steal signs on a regular basis.

Mr. Sterner indicated that Police Chief Heim was involved in past discussions and he believed that this issue was resolved.

Mr. Waltman stated his belief that funerals should be given special consideration.

Mr. Fuhs questioned if funerals can be given permission to double park. Mr. Marmarou indicated that they cannot due to the State motor vehicle code.

Mr. Sterner believes the issue should be discussed at another Committee of the Whole meeting to consider amending the eight parking spaces per block issue. Mr. Waltman, Mr. Fuhs, and Mr. Sterner will draft an amendment.

Mr. Feeney and Mr. Lee left the meeting at this time.

Mr. Marmarou reported that he contacted other funeral homes and they do not have these problems.

### III. 2009 Budget

Mr. Waltman reminded the Administration that Council informed them of probable revenue gaps. He questioned if the Administration's position has changed. Mr. Hottenstein indicated that it had not. He informed Council of the Administration's plan to determine their response after action has been taken at the December 8 meeting. He indicated that he had no comment on possible expense cuts at this time.

Mr. Waltman reminded the Administration that there is a budget amendment on the table to decrease each expense line item (except debt service) by 3% due to the revenue gap. He recommended that Council will not pass the Full Time Position Ordinance until there is clarity on the budget issue.

Mr. Spatz, reporter for the Reading Eagle, questioned which budget would go into effect as the default budget if consensus was not reached. Mr. Waltman indicated that it would be the budget introduced on October 1.

Mr. Marmarou noted that this ordinance is in violation of the Charter as it contains a 23% property tax increase.

Mr. Fuhs questioned if the Administration intends to work from the October 1 budget. Mr. Hottenstein again indicated that the Administration will not discuss their course of action until after December 8.

Mr. Spencer reminded the Administration that the tax revenue in the October 1 budget will not be available as Council did not adopt the tax increases as proposed.

Mr. Waltman indicated that as a part time Council, they should not need to look at each line item. He noted that the Administration should be able to do this quickly. He indicated that only Council can increase revenues through the adoption of ordinances. He noted the need to work together constructively. He stated his belief that the Administration should have constructive responses to Council's request for expense reductions. He again recommended that Council not take action on the Full Time Position Ordinance until the Administration reveals its plan to reduce budget expenses.

Mr. Spencer described the budget timeline. He noted that if Council passes the amended budget the Mayor could still veto it. That would expire the timeline and revert the City back to the original budget which included the 23% property tax increase. He questioned if the tax can become effective without Council action. Mr. Younger indicated that the Charter does not specify that Council action is needed in this circumstance and the issue could end in a lawsuit.

Mr. Waltman indicated that the original budget was invalid due to the proposed property tax increase. He stated his belief that fighting was a waste of time. He noted that State Law gives taxing ability only to Council. He requested constructive suggestions to decrease expenses. He stated his belief that too much time is wasted in unproductive ways.

Ms. Goodman-Hinnershitz noted the impasse will remain until the Administration clarifies its position. She requested legal clarity on the process.

Mr. Waltman noted that during the past week the Administration should easily have been able to find constructive expense reductions without cutting entire programs.

Mr. Waltman and Mr. Spencer recommended taking no action on the Full Time Position Ordinance until the Administration clarifies their budget position.

Mr. Fuhs noted the financial crisis of the City. He noted Council's work to support the Administration. He informed all that he is stunned by the response of the Administration. He indicated that this is no way to run Reading.

Mr. Marmarou indicated that Council tried to open budget discussions earlier this year but were delayed by the Administration's lack of information. Mr. Hottenstein stated his belief that the Charter is clear on the Administration's role in the budget process and that the Administration has done all that is necessary.

Mr. Fuhs reminded the Administration that it is the Mayor's responsibility to find ways to reduce expenses.

Mr. Waltman expressed his belief that the Administration provided Council with unreasonable reduction options to leverage the Administration's position.

Mr. Sterner questioned if the Full Time Position Ordinance was reviewed for possible further cuts in personnel. Mr. Hottenstein indicated that it had been reviewed and 33 positions were eliminated through attrition and unfilled positions. He noted that further cuts would reduce services.

Mr. Spencer reminded all that the positions of Council and the Administration need to be explained to residents. He asked all present to be prepared to answer questions.

Mr. Sterner indicated that he has been getting questions from residents. He noted the need to use City assets as revenue resources. He suggested that the City be run as a business.

Ms. Goodman-Hinnershitz questioned if another public hearing was necessary. Mr. Waltman indicated that is not required.

Mr. Marmarou questioned if the total amount of employees in the Full Time Position Ordinance is correct. He noted that it doesn't seem to add correctly. Mr. Hottenstein will verify the number.

Ms. Goodman-Hinnershitz stated her belief that time is being wasted through posturing. She noted that the Mayor should be involved in these discussions. She recommended no further discussion without his presence.

Mr. Waltman indicated that he has spoken with many residents about the tax increases. He indicated that residents feel that problems need to be corrected before taxes are increased.

Mr. Fuhs informed Council that the amount collected in property taxes in 2008 plus the 5% allowed by the Charter is \$15,746,000. The Administration's original budget stated a number of \$17,555,000 which is a Charter violation. He informed the Administration that they cannot base a larger increase on other court decisions as the Charter indicates that the City must have approval by the Court of Common Pleas.

Mr. Waltman noted his hope that lawsuits would not be necessary.

Ms. Kelleher questioned when Council would be asked to take action on the increased fees included in the 2009 budget. Mr. Hottenstein indicated that it would be in the first quarter of 2009.

#### **IV. Charter Amendment – Budget**

Mr. Waltman indicated that there are flaws in the Charter budget process. He noted the need for more deliberate timelines. He requested that Council review sections 905, 906, and 907. He stated his belief that there should not be a default budget.

Ms. Goodman-Hinnershitz noted that the procedure needs clarity. She stated her belief that revenue consensus needs to be reached no later than June.

Mr. Waltman suggested that Council propose Charter amendments.

Ms. Goodman-Hinnershitz suggested that the Charter Board be involved in these discussions and that they be invited to attend the next Finance Committee meeting.

#### **V. 2010 Budget and Long Term Planning**

Mr. Sterner stated that Council needs to be informed of the Administration's budget decisions early. He noted his hope that discussions would begin right away in January for 2010 and long term planning.

Mr. Sterner indicated that the Administration has already indicated that there will be a large deficit in 2010. He noted the need to look for additional and creative revenue sources. He noted that the Administration should be taking the lead on these issues.

Ms. Goodman-Hinnershitz noted that if programs need to be eliminated, a plan needs to be in place so that the community can step up and assist.

Mr. Spencer suggested beginning the process in the first quarter of 2009. He suggested that programming, services, and funding need to be discussed. He noted that increased revenues need to be generated. He noted the need for Council to give the Administration their position earlier in the budget process to determine their

plans. He noted the increased cost to live in the City will cause some residents to move out.

Mr. Marmarou indicated that he has heard people from New Jersey and New York are no longer talking about relocating here as it is no longer cost effective to live in Reading.

Ms. Goodman-Hinnershitz noted that the affordability of the City is still viable as compared to surrounding municipalities. She noted that the mortgage crisis will increase the need for rentals.

Mr. Hottenstein stated his understanding of Council's concerns. He noted the need for this issue to stay at the fore-front during Council business throughout the year. He indicated that the Administration has begun long term planning and will present a five year forecast. He requested that the Administration be involved in setting Council committee agendas.

Mr. Spencer noted the need to address regionalization. He noted that County-wide regionalization is not the answer. He indicated that surrounding communities should be approached individually to share expenses. He also noted the need to work with the Reading School District. He noted that many services are duplicated.

Ms. Goodman-Hinnershitz and Mr. Waltman agreed with the Administration's involvement in setting committee agendas.

Mr. Waltman noted the need for weekly meetings between the Administration and the County Commissioners and State representatives. He also noted the need to address the unreported income of City residents.

Mr. Waltman stated his belief that the housing permit process could have been a huge success for the City. He noted that this is a core issue that affects revenues. He noted that he will not support additional revenues until problems are addressed.

Mr. Marmarou noted the success of the Internal Revenue Service in catching those who evade taxes. He suggested working with the IRS to pursue outstanding rental income and unreported incomes.

Ms. Kelleher questioned when monthly finance reports will be received by Council. She noted that they have not been received since July. Mr. Cituk also requested copies of monthly finance reports.

## **VI. Other Discussion**

Mr. Marmarou noted his happiness that delinquent trash and recycling bills will be turned over for collection. He questioned if this was done yearly. Mr. Hottenstein indicated that it was.

Mr. Sterner questioned who the collection agency was. Mr. Hottenstein indicated that an RFP is in the process and should be awarded shortly.

Mr. Sterner suggested that this also be done with outstanding housing permit fees.

## **VII. Executive Session**

Council entered executive session at 6:25 pm to discuss litigation issues. They exited executive session at 7:19 pm.

The meeting adjourned at 7:20 pm.

Respectfully Submitted

By: \_\_\_\_\_  
Linda A. Kelleher, City Clerk